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*courage is contagious*

## Viewing cable 08SANJOSE31, COSTA RICA -- CAFTA EXTENSION REQUEST LIKELY

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### Understanding cables

Every cable message consists of three parts:

- The top box shows each cables unique reference number, when and by whom it originally was sent, and what its initial classification was.
- The middle box contains the header information that is associated with the cable. It includes information about the receiver(s) as well as a general subject.
- The bottom box presents the body of the cable. The opening can contain a more specific subject, references to other cables ([browse by origin](#) to find them) or additional comment. This is followed by the main contents of the cable: a summary, a collection of specific topics and a comment section.

To understand the justification used for the classification of each cable, please use this [WikiSource](#) article as reference.

### Discussing cables

If you find meaningful or important information in a cable, please link directly to its unique reference number. Linking to a specific paragraph in the body of a cable is also possible by copying the appropriate link (to be found at the paragraph symbol). Please mark messages for social networking services like Twitter with the hash tags **#cablegate** and a hash containing the reference ID e.g. **#08SANJOSE31**.

Reference ID	Created	Released	Classification	Origin
<a href="#">08SANJOSE31</a>	<a href="#">2008-01-17 17:40</a>	<a href="#">2011-08-30 01:44</a>	<a href="#">CONFIDENTIAL</a>	<a href="#">Embassy San Jose</a>

Appears in these articles:

<http://www.nacion.com/2011-03-02/Investigacion.aspx>

VZCZCXYZ0010  
PP RUEHWEB

DE RUEHSJ #0031/01 0171740  
ZNY CCCCC ZZH  
P 171740Z JAN 08  
FM AMEMBASSY SAN JOSE  
TO RUEHC/SECSTATE WASHDC PRIORITY 9345  
INFO RUEHZA/WHA CENTRAL AMERICAN COLLECTIVE PRIORITY  
RUEHDG/AMEMBASSY SANTO DOMINGO PRIORITY 1577  
RHEHNSC/NSC WASHDC PRIORITY

C O N F I D E N T I A L SAN JOSE 000031

SIPDIS

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DEPT FOR WHA, WHA/CEN, WHA/EPSC AND EEB; PLEASE PASS TO  
USTR:AMALITO/DOLIVER

E.O. 12958: DECL: 01/17/2018  
TAGS: [CS](#) [ECON](#) [ETRD](#) [PGOV](#) [PINR](#) [PREL](#)  
SUBJECT: COSTA RICA -- CAFTA EXTENSION REQUEST LIKELY

REF: 07 SAN JOSE 2070 AND PREVIOUS

¶1. (C) SUMMARY: While the national legislature (Asamblea) works at full speed to complete CAFTA implementing legislation, GOCR officials (and the local media) are openly speculating about a probable entry-into-force EIF extension. In private, executive and legislative branch contacts are almost unanimous: there is no way Costa Rica can meet the March 1 deadline; at least another two months probably will be needed. In public, President Arias and Minister of the Presidency Arias are keeping pressure on the legislature, but the President has acknowledged that meeting the deadline is "unrealistic". The Arias brothers are also making clear that should there be an extension, the PAC-led opposition's obstructionist "legislative terrorism" would be to blame. With the public, and much of the Asamblea eager to get beyond CAFTA to other hot issues such as public security, the pro-CAFTA G38 coalition working well in the Asamblea, and the PAC under fire for its dilatory tactics (septel), Costa Rica may at last build sufficient momentum to get the CAFTA job done, although not on time. We anticipate an extension request after the GOCR takes stock of progress at the end of January. END SUMMARY.

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LEGISLATURE AT FULL SPEED . . .

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¶2. (SBU) Pro-CAFTA legislators returned to work seemingly refreshed from their year-end recess and determined to make progress on the implementing agenda. PLN faction chief Mayi Antillon seemed pleasantly surprised by the G38's discipline and focus when she met with Pol/Econ Counselor on January 9. Antillon sketched a timetable based on two sessions a day, under fast track rules, that would grind through legislation fairly swiftly (by Costa Rican standards). Her goal is to move quickest (and in parallel) on the two telecom laws and the UPOV law (which passed its first plenary vote on January 14), in order to complete the first vote on these politically controversial topics before universities (full of potential protesters) resume class in early February. She also predicted fast action on the Budapest Treaty. The problematic Libertarian Party (ML) is cooperating, Antillon added, assuaged by, among other concessions, the PLN agreeing to form a new legislative committee on public security (an ML and PAC priority). Vice Minister of the Presidency Roberto Thompson also gave an upbeat message to Pol/Econ Counselor on January 10.

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. . . BUT NOT FAST ENOUGH

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¶3. (C) Antillon's and Thompson's best case scenarios, however, predict the Asamblea approving (in 1st vote) no more than 3-4 more items of implementing agenda by the end of January, with all of these likely facing 30-day Constitutional Chamber (Sala IV) review (forced by the PAC) before becoming law. (The PAC has already asked that the UPOV bill be sent to the Sala IV for review.) Even without Sala-required revisions, these bills would not become law until March, bringing the grand total of fully completed items at that time to 6-10 (out of 13 total). Antillon predicted she could finish all the legislation by April or May, but this is contingent on maintaining the current pace in the Asamblea and discipline in the G38. She added that any extension in the Asamblea would have to be part of a broader national strategy including a diplomatic component with the USG and other CAFTA-DR parties, and a public relations component, both domestic and international.

¶4. (SBU) ML and PLN party staffers paint a similar picture. Even with three-a-day and weekend sessions (which the legislators are likely to resist and which Antillon hopes to avoid), it is mathematically impossible, they say,

to complete all the implementing legislation by March 1. ML calculations, in fact, suggest that a six-month extension might be realistic, given the other work the Asamblea wants to attend to and upcoming faction leadership elections in May.

15. (C) COMMENT: We agree that an extension appears inevitable. Under ideal conditions, the Asamblea could complete the first vote on the seven items now in the plenary o/a February 20. The 30-day Sala IV review would still have to follow before the laws were enacted, however, and the two implementation items not yet in the plenary -- the laws regulating insurance contracts and authors, copyright protections - would lag even further behind. The earliest completion date for all the implementing legislation is therefore sometime in late March or April. END COMMENT.

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TESTING THEIR ARGUMENTS, TESTING THE WATERS

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16. (C) Minister of Foreign Trade Marco Vinicio Ruiz echoed these views during the Ambassador,s farewell call on January 7. He opined that an EIF extension would be required, although he acknowledged that public discussion of such a request could dampen political momentum in the legislature. Ruiz said he had already "reached out" informally to other CAFTA-DR parties to gauge their reaction to a possible extension request, and asked rhetorically when would be the appropriate time to make such a request. The Ambassador urged Ruiz to consult with USTR on all aspects of the extension issue. (NOTE: Confirming Ruiz,s comments about "reaching out," the media here has run interviews with CAFTA-DR officials such as the Guatemalan VM of Trade and the local Nicaraguan Ambassador predicting that their countries would respond favorably to a Costa Rican extension request.)

17. (C) The Minister suggested that the U.S. should deal "differently" with Costa Rica, since the country has specific characteristics that set it apart from its neighbors; namely, the three-fold challenge of opening a state telecommunications monopoly, opening a state insurance monopoly, and a facing a constitutional review of all CAFTA-related legislation. Ruiz fretted that the Sala IV might not be able to handle multiple pieces of complex, controversial legislation fast enough to complete its review in the required 30 days.

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EXTENSION MANIA

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18. (C) Despite his caution with the Ambassador, Ruiz later spoke to the press about an extension, predicting a two- to four-week delay. His widely-reported remarks set off a flurry of political and press speculation prompting hasty spin control by the GOCR and its pro-CAFTA coalition partners. An exasperated Antillon told Pol/Econ Counselor that Ruiz had spoken prematurely and without authorization. Antillon and PUSC faction head Lorena Vasquez started a chorus of interviews, all stressing that the G38 would continue to work based on the March 1 deadline. Vasquez and ML chief Luis Barrantes, however, argued that should it appear that the Asamblea could not make the deadline, the GOCR should then explore extension options with the CAFTA-DR parties.

19. (SBU) In back-to-back statements released January 8-9, Minister Arias stressed that the GOCR had not made any official request, and would continue to view February 29 as the final day to complete legislative work in time for the March 1 EIF deadline. He stressed the importance of having CAFTA-DR enter into force, praised the Asamblea for its hard work, and urged the PAC to respect the results of the October 7 referendum by not obstructing work in the legislature. In interviews, both Arias brothers (the

President and the Minister) said a possible extension depended on the PAC. If that party (and its anti-CAFTA allies) dropped their delaying tactics, the legislature could move faster. The GOCR would have a better idea of progress by the end of January, and if it had to request an extension, it would do so after that.

¶10. (U) In an interview on January 16, however, President Arias called the February 29 target date "unrealistic," and suggested that the an extension request might come "in mid-February," depending on the legislative picture then. He declined to specify how much more time would be needed (although he had told the media on January 8 that two more months would be sufficient.)

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COMMENT:  
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¶11. (C) The specter of another legislative year frittered away by CAFTA debate seems to have galvanized the GOCR and the G38 into action. The Arias administration is fully engaged, has a plan and is sticking to it. The increasing public and political discussion of the post-CAFTA agenda (e.g., criminal justice reform, fiscal and concession reform, the so-called "development agenda," etc.) is a good sign. Both sides, even the PAC, seem to be yearning for life after CAFTA. Both sides also acknowledge that CAFTA-DR will enter into force for Costa Rica at some point. The questions are how and when. As to how, the GOCR appears confident enough to rely on its G38 coalition, for now; a deal with "moderate" PAC members is not in the cards. As to the when, we should know more when the Arias team takes stock in late January or early February. We understand that the COMEX delegation currently in Washington may raise the extension issue, but we do not expect a formal, fully-authoritative approach until the President -- or more likely Minister Arias -- weighs in, perhaps via a letter to USTR or a visit to Washington.

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